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Teachers' Pension Plan Board  
Conseil du régime de retraite des enseignantes et des enseignants

Issue 8  
Fall 1993

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## STO's 25th Anniversary

Congratulations to the Superannuated Teachers of Ontario (STO) on their 25th anniversary! In celebration of this milestone, we want to tell you more about what STO does for you and the various services it offers.

### Formation and membership

Sparked by rapid increases in inflation and the introduction of the Canada Pension Plan, STO held its first organized meeting in March 1968. Since then, STO has made a dedicated commitment to the interests and needs of retired teachers.

Membership in STO is voluntary and is separate from its health coverage programs. Close to 26,000 of you, almost 65% of the pensioners in this plan, are already members of this organization. In addition, there are approximately 2,000 associate members, most of whom are the surviving spouses of members. Members range in age from 55 to over 100.

### Accomplishments

STO's philosophy is embodied in its motto – Service to Others. "Our members are and continue to be individuals who care about people and the community," says Bill Jones, STO's executive director.

"Today's teachers are committed to the youth of Canada. You have the skills to continue this commitment in a variety of ways and activities during your retirement. As a result, everyone wins – the community benefits and you gain the continuing satisfaction which comes from giving to others."

*Continued on page 2*

## Financial News

### The Budget And Your Pension

We received many calls about changes in the amount of the July pension payments. Some of you were unsure of why there was a change.

As you know, the provincial government announced its 1993 budget this past spring. As a result of the increase in personal income tax rates and the new premium and sales tax on group health insurance coverage, *the amount of your deductions increased* in July. Since the increase is retroactive to January, the amount of deduction is doubled from July to December.

### 1992 Annual Report

Highlights of our 1992 annual report *Realize Your Retirement Dreams* provides a review of our financial performance. The full report, available on request, includes management's discussion and analysis and detailed financial statements.

Here are some highlights from 1992:

- The plan produced a respectable 8.9% rate of return in 1992. The three-year average rate of return was 11.2%.
- Plan assets increased to over \$27 billion as we continued to diversify our investment portfolio. Ontario debentures continued to be the largest portion of the portfolio, though the amount was reduced from 76% in 1991 to 67% in 1992.

### What's Inside...

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# Celebrating 25 Years

(Continued from page 1)

STO's service is instrumental in helping improve and maintain the quality of life for its members. This commitment to service has guided STO through its first 25 years and is the foundation for the next 25 years.

In its first 25 years, STO has accomplished many things, including its involvement in pension indexation, the adjustment of some low pensions and a group health insurance program.

## Services provided

STO continues to reach out both locally and provincially in different ways that help its members. Below are just a few examples.

- Helps colleagues through the goodwill program (provides support for members in need).
- Voluntarily assists teachers in third-world countries.
- Monitors legislation regarding long-term care services and provides support for the surviving spouse of a member.
- Keeps in touch with McMaster University, one of the leaders in gerontological studies.
- Provides a variety of social and travel programs.

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*"What amazed me when I first became aware of STO was the breadth of services offered to its members," says Claude Lamoureux, president and chief executive officer of the pension board.*

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## Organizational structure

There are six full-time employees who work for the organization. Everyone else is involved on a voluntary basis. STO's current president is Mae Hill. Bill Jones is in his third year as executive director.

As part of his duties, Bill attends regular meetings at the pension board offices with teacher federation representatives to discuss plan administration issues.

There are 42 STO districts in Canada – 41 in Ontario and one in British Columbia.



These districts operate in much the same manner as the provincial organization – each has its own constitution and elections. Currently, all but nine of the 42 districts are represented on the executive or committees at the provincial level.

Bill encourages those who are interested to become more involved. "Determine who your district executive is and make plans to attend local meetings and activities," says Bill. "If you're not sure who your local executive is, call us at the provincial office and we will provide you with the necessary information."

## Looking ahead

Even though much has been accomplished in its first 25 years, STO promises not to be satisfied with its results to date. It is open to changing needs and will ensure its structure and programs continue to provide its long heritage of service to retired teachers across Ontario.

All of you stand to benefit from the services and programs STO works so hard to maintain for its members. If you would like more information about STO, please contact the provincial office directly at the following location:

Superannuated Teachers of Ontario  
Suite 610, 1260 Bay Street  
Toronto, Ontario M5R 2B1

Metropolitan Toronto: 962-9463  
Toll-free: 1-800-361-9888  
Fax: (416) 962-1061

Please remember – the pension board is separate from STO. We just deduct STO fees and medical premiums from your pension payments.



# Retired Teachers Featured In Our Annual Report



Do you recognize any of the people featured in the enclosed highlights of the 1992 annual report? You might because some of you may have taught with them!

Our theme for the report was "Realize Your Retirement Dreams." This column, introduced two issues ago, encouraged many of you to write and tell us about what you're doing in your retirement. The stories you wrote provided the perfect resource for developing our annual report theme.

After reviewing all of the stories we had received, we contacted several people and asked if they were interested in being featured in the report. If they agreed, we arranged for a photographer to visit them. After reviewing the pictures and stories, we chose our features.

Since space was limited, we want to tell you a bit more about each of our featured pensioners.

## Joan Kneisz

Immediately after retiring, Joan Kneisz flew to Nova Scotia and met her husband Steven on their sailboat *Okkomut*. They left to fulfill their long-time dream of sailing across the Atlantic.



*Joan in her gas mask in Israel*

Their travels took them to many places and they even sailed through two wars – the Gulf War and the beginning of the civil war in Yugoslavia.

At one point they spent 25 lonely days at sea, passing only three ships, a few birds, whales and dolphins along their way. The total duration of their journey – two years and 15,000 miles. Now that's an adventure!

## Cathy Harper

What started off as an investment to help a friend in need turned into a second career for Cathy Harper.

Although she had little knowledge of wood products when she agreed to invest in the company, she now finds herself involved in all aspects of Pamom Woodworking.

Cathy can be found in the shop helping with production or packaging products for shipping. Sometimes she even delivers and assembles the products for the customers.

## Robert Boyce

After participating in Elderhostel programs in Canada, the United States, Australia, Great Britain and San Salvador, Robert Boyce thought his hometown of Stratford would be a great place to offer a similar program.

By working closely with people at the Festival Theatre and the rest of the community, Robert has been very involved in getting the program started.

He has also been on the board of directors for Elderhostel Canada for two years and encourages other retired teachers to start Elderhostel programs in their own communities.

## Millie Young Hubbert

Many people dream of writing a book – only a few actually sit down and do it. However, writing books is exactly what Millie Young Hubbert of Markdale has been doing since her retirement.

She compiled all of the information for her book "Since the Day I was Born," and even handled its printing and distribution on her own. She has sold over half of the 1,000 copies printed and is well on her way to completing her second book. Congratulations Millie!

*Remember, if you have an interesting retirement story you'd like to share with us, please write it down and send it to us at the address on page 6 of this newsletter.*



# The CPP Decision

One of the most popular questions we are asked is whether or not to take CPP as early as age 60.

## Personal decision

If you decide to take CPP early, the amount will be reduced by 6% per year depending on how early you take it. This decision is one which you have to make yourself – everyone's personal situation is different.

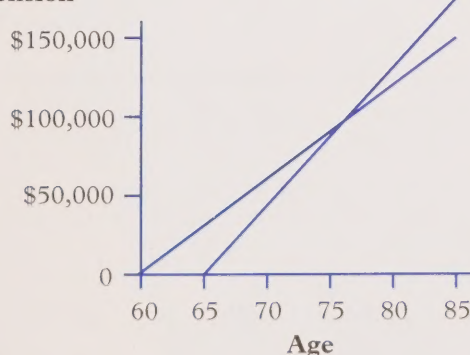
Your decision whether or not to take CPP early should ultimately be based on two factors:

- how long you think you will live (a study by our actuary, William M. Mercer Ltd., reveals that the average teacher lives until age 83), and
- when you want most of your retirement income.

If you take CPP at age 60, you'll have more money early in your retirement because your pension from us won't be reduced until you turn 65. You can decide what to do with the money – travel, pay off a mortgage or maybe invest it yourself.

## Taking CPP at Age 60 vs 65

Total CPP Pension



If you decide to wait until age 65 to take CPP, you'd have to receive it until at least age 75 to earn the same amount if you had taken it at age 60.

However, not everyone will consider this an advantage. For example, if you live into your 80s or 90s, you may receive less money overall.



## When you can start

To be able to start taking CPP before age 65, you must be "substantially retired" – you cannot be earning, through employment, more than the CPP maximum benefit at age 65 (if you decide to teach after retirement, you may be earning more than the maximum benefit).

In 1993, the CPP maximum benefit is approximately \$8,000. Again, this is a *starting requirement only* – once you begin receiving CPP, you can exceed this level.

However, if you exceed the level, your extra earnings may put you in a higher tax bracket. As a result, you may have to pay more taxes when you file your income tax for the year.

Please take the time to consider your options. You can contact the income security programs branch of your local Health and Welfare Canada office for an estimate of your CPP pension (look in the blue Government of Canada pages at the back of your local telephone book for their number).

Once you receive an estimate, you can determine which age is best for you to begin receiving your CPP pension. The ultimate decision is yours.

Please do not contact us when you turn 65. We will automatically adjust your pension for CPP.

However, please contact the income security programs branch of your local Health and Welfare office to apply for CPP.



## Returning To Teaching

If you teach after retirement, please remember to tell your employer you are on pension.

They will provide you with a Teaching After Retirement form to confirm you are on pension and whether or not they should deduct contributions. If you don't receive this form, please ask for a copy and complete it with them.

### What are the limits?

- 95 days per school year for three years (they do not have to be consecutive).
- 20 days per school year after you have used the 95-day limit.
- Unlimited if you are over 71 years of age.

### Refunds

If your employer makes deductions and you teach under the limit, you are eligible for a refund of your contributions.

As of the 1992-93 school year, please contact your employer directly to get this refund. For any refunds prior to the 1992-93 school year, please contact us.

### Keep track of days

It is very important for you to keep track of the number of days you teach in each school year.



If you exceed your limit for the year, please notify us and your employer and we will stop your pension. Once you stop teaching, notify us *in writing* so we can start your pension again.

However, if you receive pension payments you're not entitled to, you'll have to repay them, with interest, before your pension can start again.

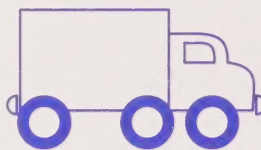
## Snowbirds Beware!

If you regularly spend more than four months (approximately 122 days) per year in the U.S., you may be subject to various U.S. filing requirements even though you may have no U.S. tax to pay.

In our next issue, we will discuss the filing guidelines and penalties for not complying. We will also provide information on the Canadian Snowbird Association, an organization representing the interests of Canadians spending time outside of Canada.

In the meantime, you can contact the Canadian Snowbird Association directly at 1-800-265-3200 or 492-7770 in Toronto if you have any questions.

## Moving?



If you have recently moved or plan to in the future, please tell us your new address.

Even though you now receive your pension through direct deposit, we need your current address to communicate with you.

Please call Phone-A-Memo (see page 6 for numbers) and leave a message clearly stating your new address.

## Clarification – Changing Bank Accounts

In our last issue (Winter 1992, Issue 7), we told you we reduced the waiting period to change your banking information from six to two weeks.

Even though our processing time has been reduced, we still ask you to inform us at least four weeks in advance to avoid any delays in the receipt of your pension.







## You Asked Us

**Q. Can I provide my new spouse with a survivor pension?**

**A.** Yes, if you'll reduce your pension now.

There are several options you have depending on when you retired and whether or not you have another eligible spouse or children.

*If you went on pension before January 1, 1988,* you can provide your new spouse with a survivor pension if the following apply: you have never been married; if you have been married, you are divorced or widowed from the spouse you had when you went on pension; and you have no other eligible children.

*If you went on pension after January 1, 1988,* you can provide a survivor pension only if you have no other eligible spouse. If you were divorced after your retirement, the spouse you were living with at the time of your retirement is still eligible for the survivor pension.

If you have a child or children under 18 or up to 25 in continuous full-time education, you may choose to reduce your pension and provide a survivor pension to your new spouse when your children become ineligible.

### How to apply

Please apply by contacting us within 90 days of your marriage, or within 90 days of when your children become ineligible. If you miss this deadline, you will have to pass a medical examination.

We will actuarially reduce your pension based on your age, your spouse's age, and the amount you choose to provide them with (from 50 to 75% of your pension). See the accompanying box for an example of the reduction.

If your spouse dies before you, the reduction to your pension will still apply.

### Example

Pensioner's age at time of marriage	65
Spouse's age at time of marriage	60
Pension at time of marriage	\$30,000
Actuarial reduction factor to provide a 50%* survivor pension	0.869
Pension after reduction	\$26,070

<b>Cost (per year)</b>	<b>\$3,930</b>
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Survivor Pension	$\$30,000 \times 50\% = \$15,000$
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\* in this example, the actuarial reduction factor for a 60% survivor pension would be 0.843 and it would be 0.804 for a 75% survivor pension

## Pension News

Linda Keon, Editor

*Pension News* is published for pensioners by the Communications Department of the Teachers' Pension Plan Board.

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**Phone:** (416) 226-2700 or  
 1-800-668-0105

**Phone-A-Memo:** (416) 226-4200 or  
 1-800-387-0945

**Fax:** (416) 730-5349

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